



Pavic Consulting LLC

Record Retention Checklist

Free Resource from Pavic Consulting – Helping Businesses Stay Compliant & Organized

Instructions

Use this checklist to review and organize your business records. Check off each item as you confirm retention periods, storage methods, and compliance.

Record Retention Checklist for Businesses

The 7-year guideline is conservative to cover federal baselines and most state variations but always verify state-specific rules via your state's Department of Revenue (for taxes/invoices), Department of Labor/Workforce (for payroll/employee files), or Secretary of State (for corporate records/contracts). If operating in multiple states, use the strictest period. Consult professionals for tailored advice.

☐ **Tax Returns (Federal & State):** Keep for 7 years. *Why/Legal Reference:* IRS can audit up to 6 years for substantial underreporting; 7 covers all. Federal: 3–7 years; State variations: e.g., CA 4 years, NY up to 6 years, VA 3 years. Check your state's Dept of Revenue for specifics. *Storage Tip:* Cloud + encrypted backup (e.g., Google Drive + 2 Factor Authorization). *Action:* Review and archive current returns; dispose of those older than 7 years (or state minimum).

☐ **Payroll Records (W-2s, 1099s, timecards, tax deposits):** Keep for 7 years. *Why/Legal Reference:* IRS + DOL wage claims. Federal: FLSA 3 years, IRS 4 years; State variations: e.g., CA 4 years, NY 6 years, TX/FL/IL 3 years. Check your state's Dept of Labor/Workforce. *Storage Tip:* Use payroll export → auto-archive. *Action:* Export and verify recent records; shred/dispose expired ones securely.

☐ **Bank & Credit Card Statements:** Keep for 7 years. *Why/Legal Reference:* Reconcile with tax filings; fraud disputes. *Storage Tip:* Download monthly → folder: YYYY/MM. *Action:* Organize by year/month; reconcile against taxes.

☐ **Invoices (A/R & A/P):** Keep for 7 years. *Why/Legal Reference:* Deduction proof; sales tax audits. Federal: Tied to tax records (3–7 years); State variations: e.g., CA 4 years for sales/use tax, NY 3–6 years. Check your state's Dept of Revenue. *Storage Tip:* PDF in accounting software. *Action:* Digitize and tag for easy search; audit for compliance.

☐ **Contracts & Leases:** Keep for 7 years after expiration. *Why/Legal Reference:* Breach claims (NY: 6-year statute). Federal: Varies; State variations: e.g., CA 4 years for written contracts, NY 6 years. Check your state's Secretary of State or Dept of Revenue. *Storage Tip:* Scan → name: Client_Contract_YYYYMMDD. *Action:* Scan active/expired contracts; note expiration dates.

☐ **Employee Files (offer letters, I-9s, performance):** Keep for 7 years after termination. *Why/Legal Reference:* EEOC, DOL, I-9 audits (3 years min). Federal: EEOC 1 year post-termination, I-9 3 years/1 year post-termination; State variations: e.g., CA up to 4 years for wage claims, NY tied to 6-year payroll. Check your state's Dept of Labor/Workforce. *Storage Tip:* Locked HR folder. *Action:* Secure files; track termination dates for retention.

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- ☐ **Corporate Records (articles, bylaws, minutes, stock ledger):** Keep permanently. *Why/Legal Reference:* Proof of ownership; PE/IPO due diligence. *Storage Tip:* Google Drive “Permanent” folder. *Action:* Centralize in a dedicated, secure folder.
- ☐ **Fixed Asset Records (purchase docs, depreciation):** Keep for 7 years after disposal. *Why/Legal Reference:* Capital gains; depreciation recapture. *Storage Tip:* Tag in accounting software. *Action:* Update with recent purchases/disposals.
- ☐ **Insurance Policies:** Keep for 7 years after expiration. *Why/Legal Reference:* Claims disputes. *Storage Tip:* Archive expired policies annually. *Action:* Archive current/expired policies; review coverage.

Pro Tip: Use a digital vault (e.g., ShareFile) with version history. Shred physical copies after 7 years (or state minimum). Implement annual audits to ensure compliance.

State Addendum Checklist

Federal vs. State Notes: Federal requirements provide a baseline, but retention periods can vary by state, often based on local tax, labor, or revenue laws. The 7-year guideline here is conservative to cover federal and most state requirements, but check your state's Department of Revenue, Secretary of State, and Department of Labor/Workforce for specifics. Examples: NY requires 6 years for payroll (vs. federal 3-4); CA requires 4 years for state tax records.

- ☐ Check state tax retention (e.g., 3-7 years; verify via Dept of Revenue).
- ☐ Confirm payroll period (e.g., 3-6 years; via Dept of Labor).
- ☐ Review employee file rules (e.g., may exceed federal 1-3 years).

For links to the state resources, visit our site [HERE](#).

Individual Record Retention Checklist

Use this checklist for personal financial and legal records to stay organized, prepare for audits, and protect your finances.

- ☐ **Tax Returns & Supporting Docs:** Keep for 7 years. (Why: IRS audits (3-6 years).) Storage: Folder: Taxes/YYYY.
- ☐ **W-2s / 1099s:** Keep until you verify SSA earnings. (Why: Fix Social Security errors.) Storage: Cross-check ssa.gov annually.
- ☐ **Investment Statements:** Keep for 7 years after sale. (Why: Capital gains proof.) Storage: Brokerage auto-downloads.
- ☐ **Home Purchase/Sale Docs:** Keep for 7 years after sale. (Why: Basis for gain exclusion.) Storage: Safe deposit box.
- ☐ **Medical Bills & EOBs:** Keep for 3 years. (Why: FSA/HSA reimbursement; disputes.) Storage: App like Shoeboxed.

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- ☐ **Warranties & Receipts:** Keep for life of product + 1 year. (Why: Returns/repairs.) Storage: Photo → Evernote.
- ☐ **Credit Card & Bank Statements:** Keep for 1 year (or 7 if tax-related). (Why: Fraud; deduction proof.) Storage: Auto-archive in app.

Pro Tip: Use a password manager for logins to all accounts.

Identity Theft Protection Checklist

Follow these steps to safeguard your records and minimize risks from identity theft.

- ☐ Secure sensitive records (e.g., bank statements, tax forms, medical bills) in a password-protected digital folder with two-factor authentication (e.g., encrypted PDF or cloud vault).
 - ☐ When disposing of records, shred physical documents using a cross-cut shredder.
 - ☐ Permanently delete digital files (use tools like Eraser or macOS Secure Empty Trash).
 - ☐ For bulk records, consider a professional shredding service.
 - ☐ Regularly monitor accounts and credit reports to detect unauthorized activity early.
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Disclaimer: The software tools mentioned are examples only. Pavic Consulting LLC does not endorse them. This is general information, not legal advice— evaluate based on your needs and consult professionals.

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Let us know how we can help. [CONTACT US](#).

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